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UNCLAS SECTION 01 OF 03 HARARE 001318

SIPDIS

DCHA/FFP FOR LANDIS, WELLER, MUTAMBA, PETERSEN DCHA/OFDA FOR GOTTLIEB, PRATT, MENGHETTI, MARX AFR/SA FOR LOKEN, COPSON, HIRSCH EGAT FOR HOBGOOD, THOMPSON, HESS, MCGAHUEY, GILL, RUSHIN-BELL, HURDUS STATE/AF FOR NEULING, MOZENA USUN FOR EMALY NAIROBI FOR ESTES, DNIRANGO, PUTNAM PRETORIA FOR SINK, DISKIN, HALE ROME FOR FODAG FOR NEWBERG

E.O. 12958: N/A
TAGS: <u>EAID EAGR PREL US ZI</u>
SUBJECT: Subject: Food Import and Distribution
Problems Continue Hopeful Signs

REF: STATE 99848

- Since April 2004, the import and Summary: distribution of food aid in Zimbabwe have been constrained by ambiguous GOZ requirements and unresolved issues concerning the quality of USdonated food. Currently there are no large amounts of food waiting for distribution or import, but it will be important to resolve remaining obstacles before large-scale food distribution through the World Food Program (WFP) is scheduled to begin in October. In light of a recent statement President Mugabe made against non-governmental organizations (NGOs), it will also be important to ensure that NGOs have sufficient leeway to distribute food on a nonpartisan basis. Fortunately, NGOs have seen recent signs of progress in being able to import and distribute food aid, and post will continue to work with WFP and major NGOs on these issues. End Summary.
- 12. Background: Since the start of Zimbabwe's food crisis in 2002, USAID has been distributing food to vulnerable Zimbabweans through WFP and a consortium of NGOs called the Consortium for the Southern Africa Food Security Emergency (C-SAFE). The consortium is composed of CARE, World Vision (WV) and Catholic Relief Services (CRS). Since April 2004, various problems have impeded the import and distribution of food despite several donor attempts, including by post, to intervene with the GOZ on behalf of NGOs. These problems, which have gained increasing media attention, include delays in issuing import permits, requirements that NGOs enter into Memoranda of Understanding (MOUs) with line ministries, and food quality tests.
- Import Permits Procedures: From the beginning of the food crisis in early 2002 until April 2004, the Ministry of Agriculture, with a support letter from the Ministry of Social Welfare (MSW), letter from the Ministry of Social Welfare (MDW), issued import permits for food aid commodities on behalf of the GOZ. The process for obtaining a permit was well defined and, generally, ran smoothly. In April 2004, the GOZ declared an end to the food emergency and abruptly changed import permit procedures. Instead of the MSW taking the lead, the new procedures required the line ministry most closely aligned with a food distribution activity (e.g., the Ministry of Health for health and HIV-related feeding, and the Ministry of Education for school feeding) to issue support letters. With the different ministries taking different approaches, the exact requirements for food importation became ambiguous overnight. Between May 2004 and September 2005, C-SAFE was unsuccessful in obtaining any import permit, although WFP did import food with support from the Ministry of Health. Only in September 2005 did C-SAFE finally obtain a permit from the Ministry of Agriculture, despite repeated interventions on its behalf by WFP officials, the USAID Director, and the Ambassador. C-SAFE now has approval to import oil, pinto beans, and 1700 MT of bulgur wheat and it has applied for approval for an additional 2000 MT of bulgur wheat. Some of these commodities are already in Durban while others are en route.

- 14. Memoranda of Understanding: The GOZ has consistently required that an organization distributing food aid have an MOU with a government ministry. The GOZ's rationale is that a relevant line ministry must exercise technical oversight for NGO activities (e.g., the Ministry of Education for school feeding programs). Frothe beginning of the food crisis in 2002, both WFP and C-SAFE NGOs distributed food under an umbrella MOU between WFP and MSW until that agreement expired in June 2004. Since then, WFP and the individual C-SAFE NGOs have been trying to negotiate new agreements with line ministries. WFP has succeeded in entering into an MOU with the Ministry of Health, to cover feeding programs in support of HIV, and has an MOU pending with the Ministry of Education for school feeding. Unable to conclude any MOU, to date C-SAFE has not been able to expand any of its targeted food distribution activities. Just in the last few weeks, however, the GOZ informally notified WFP that it will again allow NGOs to operate under a WFP umbrella MOU for the coming food insecure season, starting in October.
- 15. GOZ concerns with NGOs: Earlier this week, President Mugabe reportedly told Secretary General Annan in New York that the GOZ does not want to give a role to NGOs so they can politicize food distribution. WFP, however, informs us that it does not anticipate any negative impact on its food distribution program. WFP already has written GOZ approval to distribute food through NGOs. Moreover, WFP tells us that when they have asked the GOZ if it has concerns about any of WFP's implementing partners, they have received assurances that the NGOs operating under the WFP umbrella are all acceptable.
- 16. C-SAFE Food Stocks: At the end of June 2004, C-SAFE had about 31,000 MT of food in Zimbabwe. Since that time, it distributed about 20,000 MT through targeted feeding in schools, hospitals, and food-for-work programs and was able to import only about 3,000 MT. Currently C-SAFE has approximately 14,000 MT remaining in stock, of which about half (7,500 MT) is sorghum. C-SAFE uses the sorghum in its Market Assistance Program (MAP) that sells subsidized sorghum to the urban poor at a nominal price. The MAP currently operates in Bulawayo, Gweru, and Hwange, but C-SAFE has been unable to expand the MAP to other urban centers primarily because local offices of the Zimbabwean Revenue Authority have insisted that the sale of sorghum must be subject to tax. Post will continue to support C-SAFE in trying to resolve the issue.
- 17. Food quality tests: In late 2004 and early 2005, it became apparent that some of the cornsoy-blend (CSB) that both WFP and C-SAFE used in school feeding was over-fortified (i.e., the content of iron and zinc exceeded maximum allowable levels) REFTEL. In response to this over-fortification, the MOH increased the range and rigor of its routine laboratory testing to certify food aid as acceptable for human consumption in Zimbabwe. In May 2005, before a resolution was reached, the GOZ prohibited the use of any CSB in Zimbabwe, regardless of manufacturer or country of origin. As a result, school feeding activities in Zimbabwe came to a virtual halt. In August 2005, after continued lobbying by WFP, the GOZ allowed non-U.S. CSB to be distributed in targeted programs, but school feeding has not yet reopened due to delays in acquiring approval from the Ministry of Education.
- 18. Food quality tests continued: The GOZ's more rigorous inspection of food stocks, following disclosure of over-fortified CSB, has led to other food quality issues that have delayed importation. Specifically, the GOZ's tests have found "unacceptable" levels of zinc and/or lead in large amounts of US-donated food stocks that were imported through Durban. Although independent tests confirmed that most of the food was fine, the GOZ never granted health certificates for 8,000 MT of food that was stored in Durban. As a result, this food was diverted to other programs in the region. Also, the increased rigor of the GOZ's food testing highlighted that its maximum allowable levels of

mineral fortification for zinc and iron are below that of US standards. USDA and Food for Peace technical staff are in Harare this week to investigate possible causes of these discrepancies in food quality tests.

- 19. Comment: GOZ bureaucratic processes have hindered the importation and distribution of food aid to vulnerable Zimbabweans for more than a year. Although there is a rationality to the GOZ's procedures in the sense that they attempt to provide technical oversight of NGO activities, their cumbersome nature and the lack of transparency ensure interminable delays in the import and distribution of food. Mugabe's recent public lambasting of NGOs raises additional worries. Although WFP is confident that it can distribute food through NGOs as planned, the GOZ's history of harassing NGOs highlights the need to monitor this closely.
- 110. Comment continued: C-SAFE's recent success in obtaining preliminary import permits for food en route, and GOZ statements that it will "waive" MOU requirements for the coming year for NGOs working under WFP, hold out some hope that the welfare of hungry Zimbabweans will prevail over bureaucratic obstinacy. However, food inspection issues still remain unresolved so food commodities en route to Durban may yet be held up in this morass. With the GOZ's financial capacity to purchase imported food still uncertain, any such delays will only harm the most vulnerable. DELL